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DRAFT WORKING PAPERS *Iraq Status*

This briefing is classified

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Derived from: Multiple Sources

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Highlights

CPA Priorities:

- Essential Services
- Security
- Governance
- Economy
- Strategic Communications

CPA Intermediate Objectives:

- Reconstitute electric power infrastructure
- Reconstruct the telecom system
- Assist drafting of “Fundamental Law”
- Build financial market structures

Weekly Highlights:

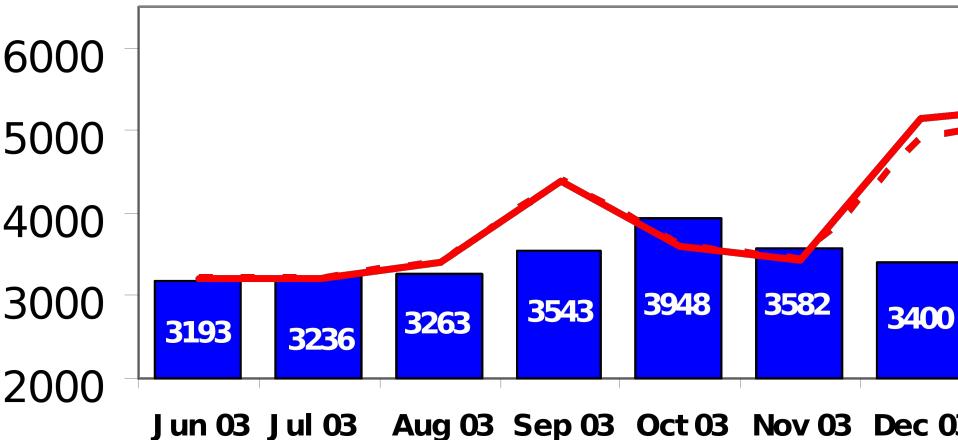
- Significant power outage on 14 Dec due to unrelated generator outages at several plants. Recovered to 3,344MW on 17 Dec
- Baghdad's Al Mamoun telephone exchange (the largest in Iraq) officially opened for business on 13 Dec
- International Finance Corporation approved creation of Iraq Small Business Financing Facility with resources of \$170M on 18 Dec
- Training for 33,000 secondary school teachers an



Iraqi Electricity Overview

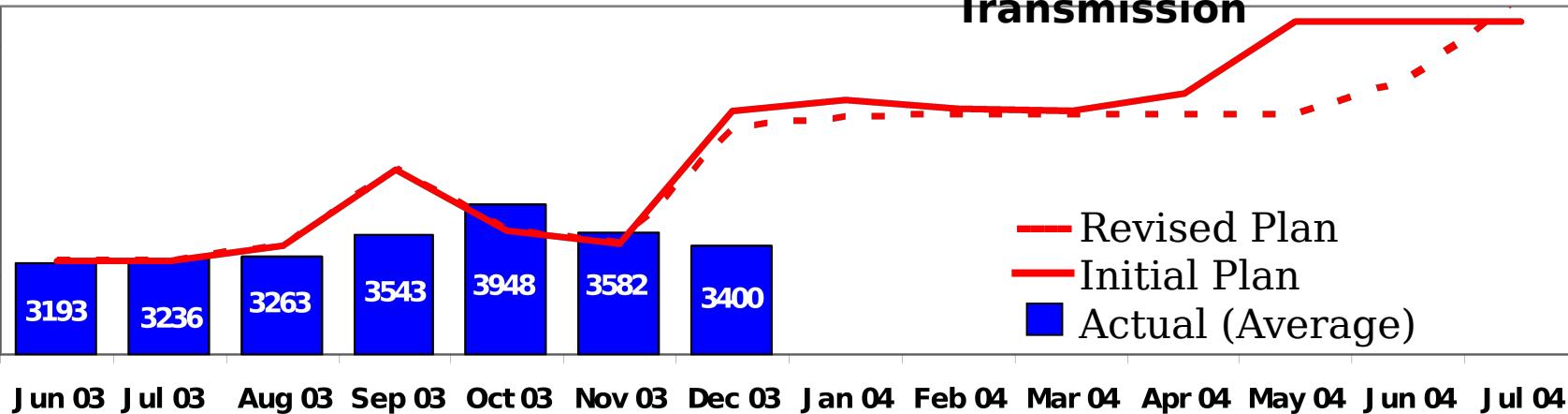
D E P A R T M E N T O F D E F E N S E N/P

**Goal 01 Oct : 4,400 MW
Production and Transmission**



Goal Summer 04: 6,000 MW Production and Transmission

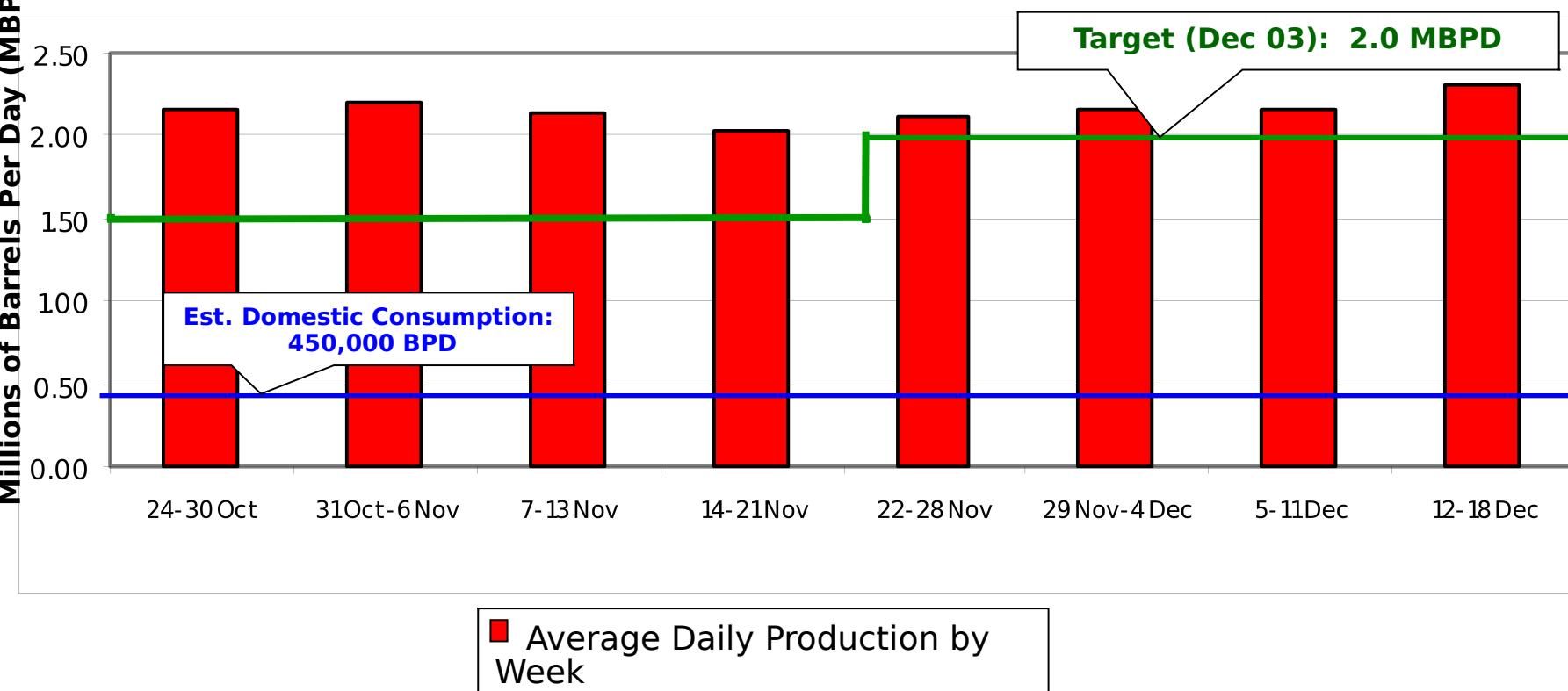
— Revised Plan
— Initial Plan
■ Actual (Average)



- Autumn Maintenance Program began 13 Oct and continues through Dec; Spring Maintenance Program dates are Feb - May 04 based on CPA and Ministry of Electricity (ME) plan
- CPA ME currently reassessing the plan for reaching 6000MW by Summer 04, with July as the target date
- Significant power outage on 14 Dec due to numerous unrelated generator outages at several plants. Power production recovered to 3344MW on 17 Dec



Crude Oil Production

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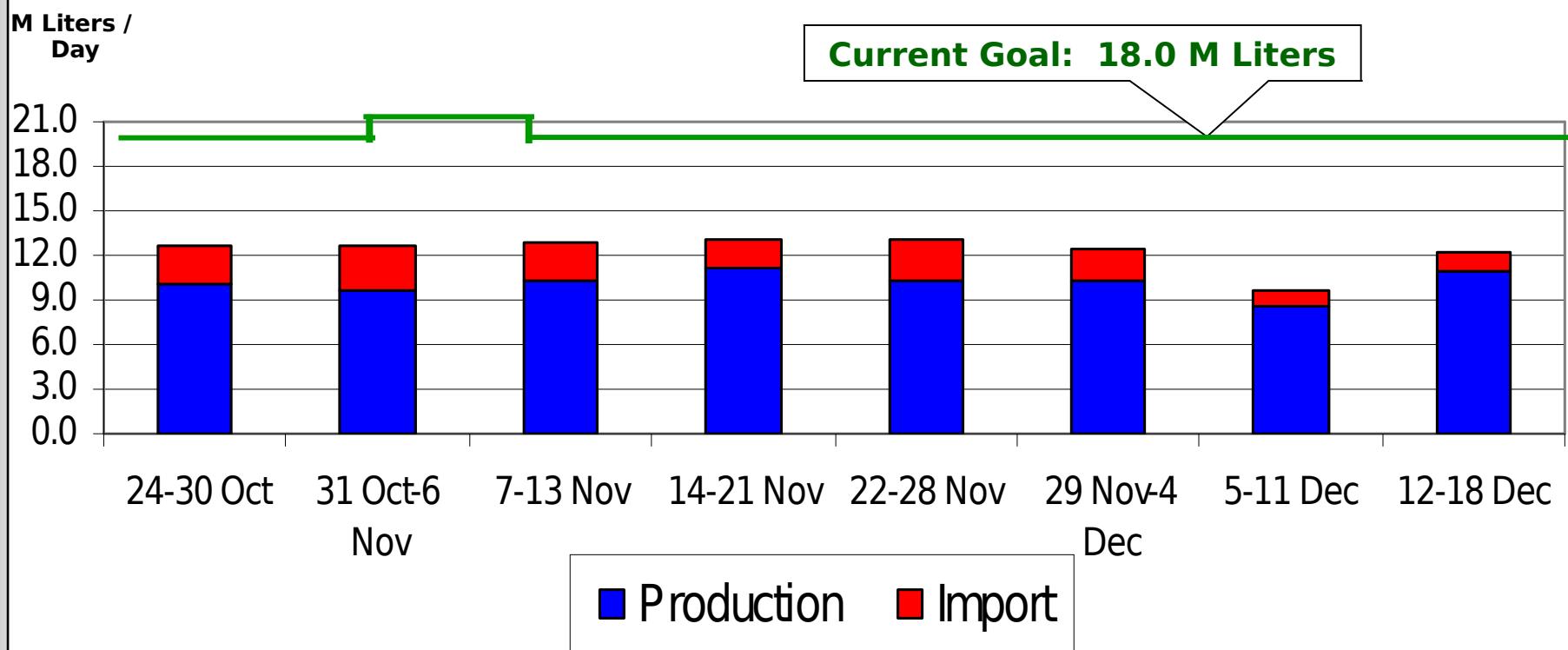
■ Average Daily Production by Week

WEEKLY AVERAGE OF 2.31 MBPD EXCEEDS TARGET OF 2.0 MBPD

- Long Term Target (Dec 04): 2.8 - 3.0 MBPD (Prewar Capacity)
- Prewar Peak: 2.5 MBPD in Mar 03
- Postwar Peak: 2.36⁴ MBPD on 16 Dec



Diesel Production

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- This week's production is 68% of goal

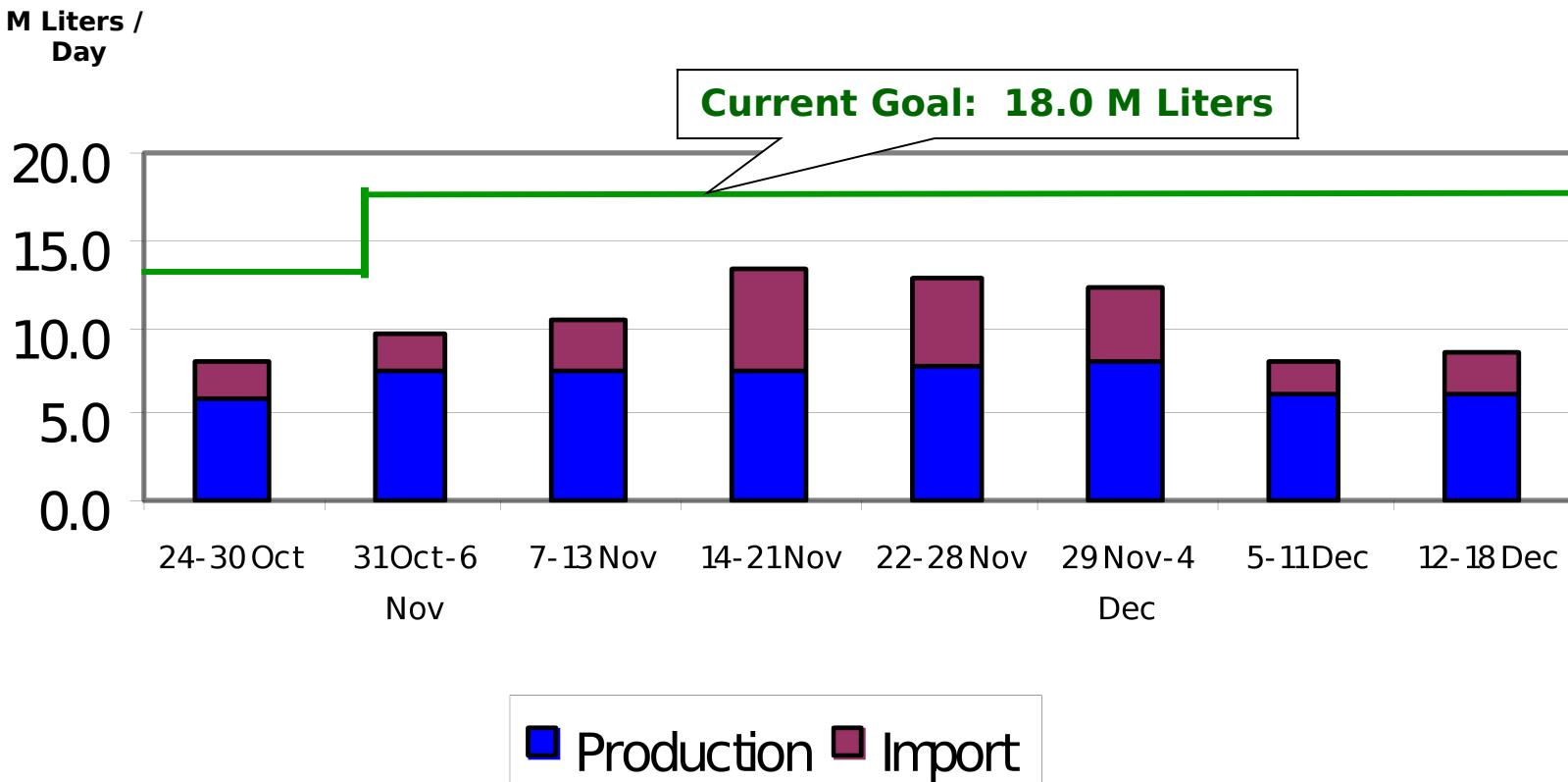


Kerosene Production

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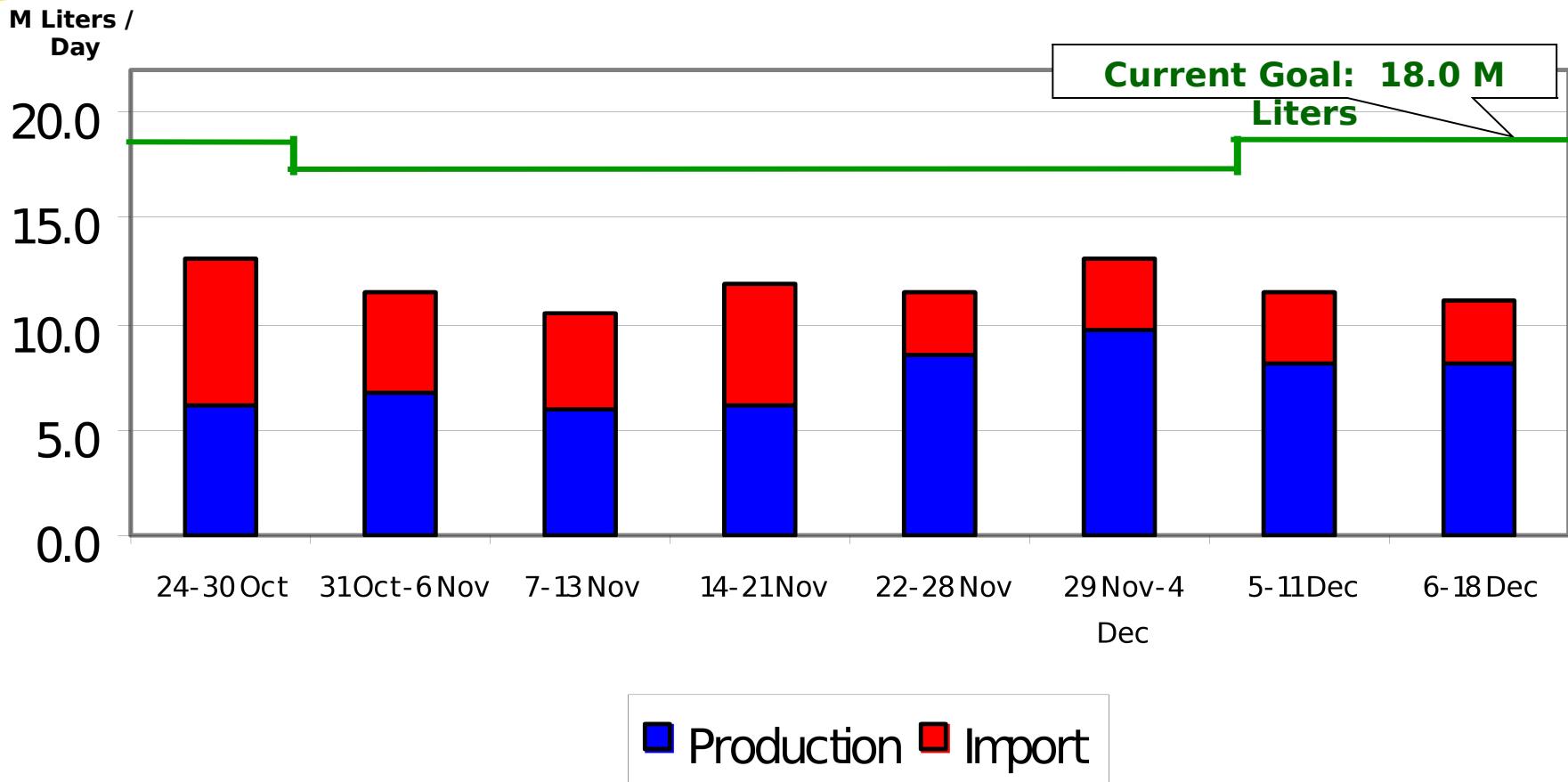
N/P

- This week's production is 47% of goal



Gasoline / Benzene Production

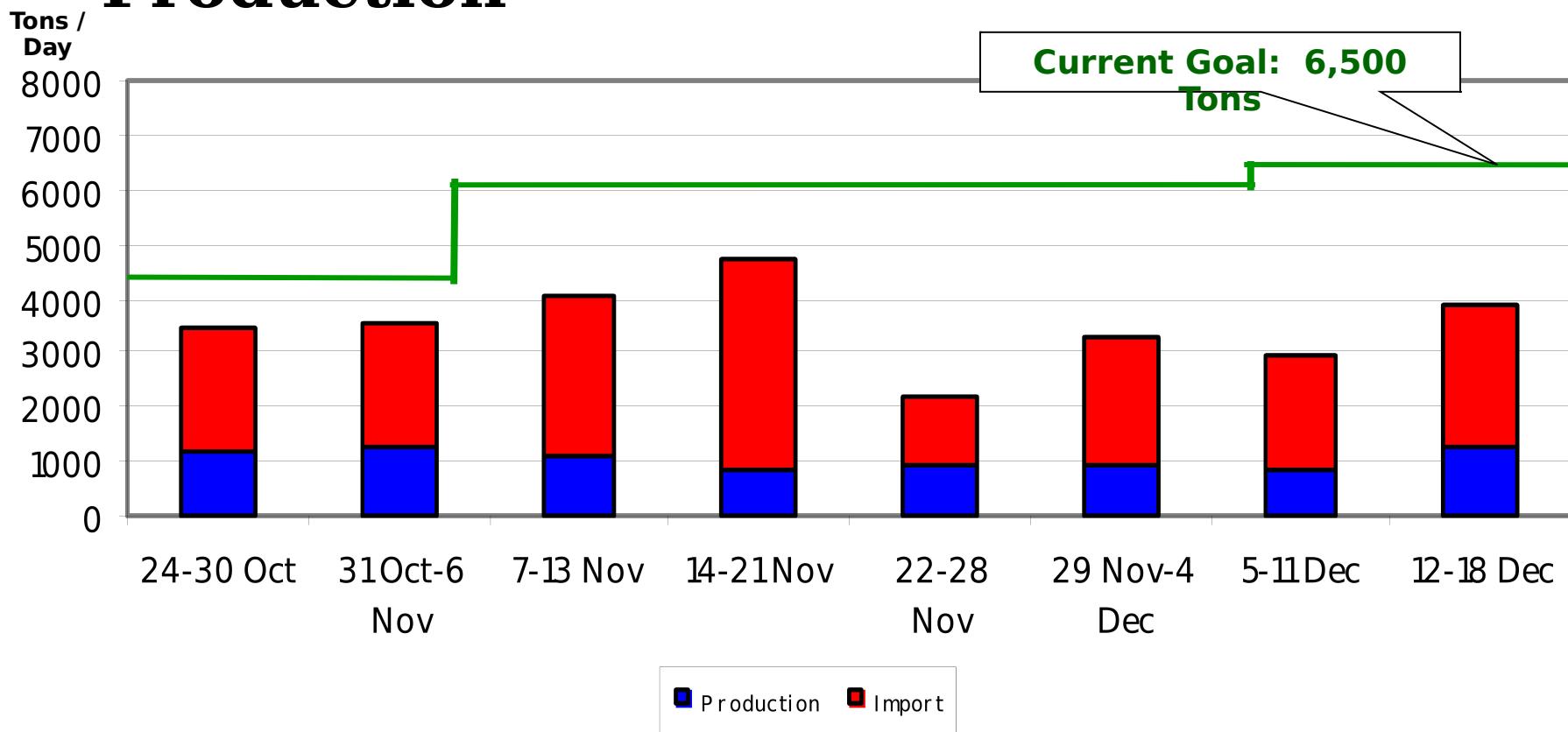
D E P A R T M E N T O F D E F E N S E N/P



- This week's production is 62% of goal



Liquefied Petroleum Gas (LPG) Production

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- Southern LPG plant now producing
- This week's production and imports are 60% of goal



Essential Services - Education

Milestones:

- 72 million new textbooks will be distributed before end of school year
- 64,000 or more secondary teachers and 5,000 school principals and administrators will be trained in modern

Current Activities

- Continue to build technical capacity of Minister of Education (MOE) : re-established Education Management Information System (EMIS)
- Training at Governorate levels continues from Nov 03 - Jan 04 for 33,000 secondary school teachers and 3,000 administration staff
- Baylor University will conduct seminars and workshops at Dohuk University on current educational trends in health, political theory, international relations, and leadership skills for administrators

School Type	Male Student %	Female Student %	Managed in some
Primary	55.58%	44.42%	Gender Distribution
Secondary	59.72%	40.28%	



Essential Services - Healthcare

D E P A R T M E N T O F D E F E N S E N/P

Milestones:

- Dec 03: Ministry of Health (MOH) assumes all pharmaceutical procurement activities
- Apr 04: Electronic health surveillance program initiated
- Jun 04: Model health care clinics established emphasizing prevention and disease management
- End 04: 90% of all children receive routine immunizations
- End 04: Infant mortality rate reduced by half to 50 / 1,000

Current Activities:

- 15 Dec: President Bush discussed improvements in Iraq health services with Interim Health Minister, Dr. Khudair Abbas, and other Iraqi physicians at the White House
- Conducting countrywide training program on primary care best practices and training techniques (special emphasis on life saving / child survival interventions)

Facts about the New Iraqi Healthcare system:

- Iraq at pre-war capabilities for providing health care -- 240 Iraqi hospitals and more than 1,200 primary health clinics are operating
- MOH has 100,000 healthcare professionals / staff (over 80% women)

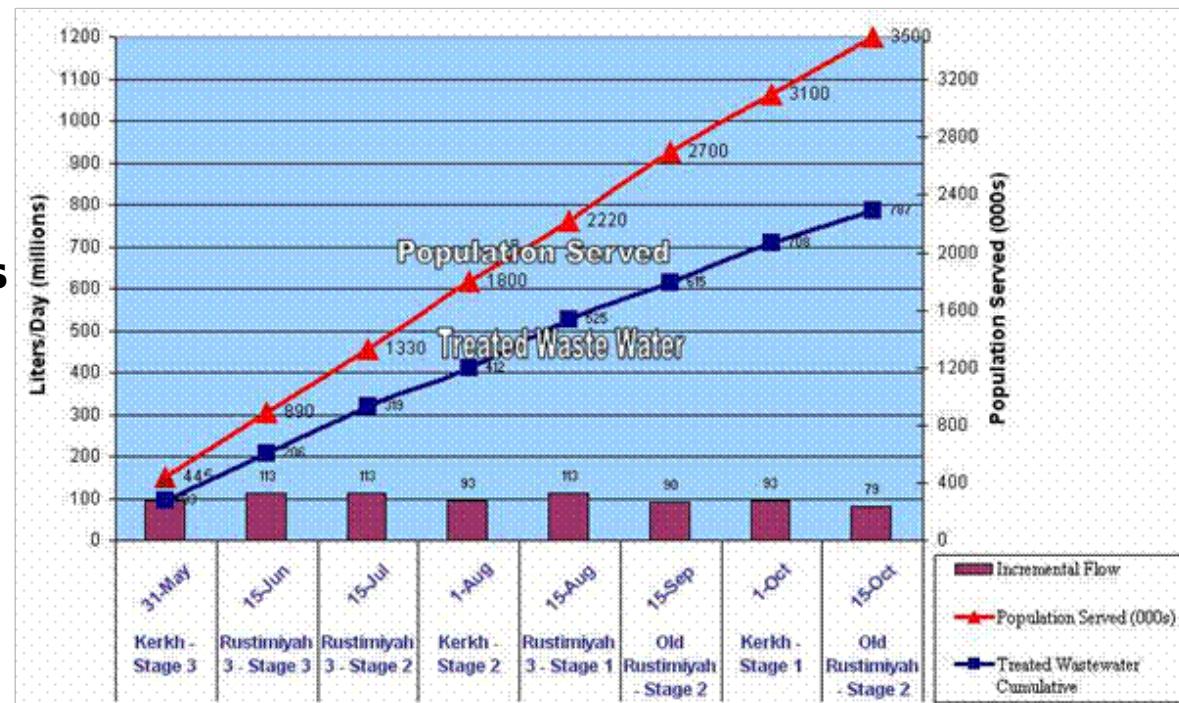


Essential Services - Water

D E P A R T M E N T O F D E F E N S E N/P

- Estimate 60% of population has access to limited supplies of potable water
- Supplemental budget funds projects to be completed within 3 years
- By summer 04, wastewater flowing to Baghdad's three main sewage plants will be treated, serving 3.5M Iraqis
 - Prewar: untreated
- By summer 04, quality and volume of fully treated water for Basra will surpass pre-war

Figure 1: Projected schedule for Baghdad sewage treatment plants



Supplemental Overview

- Approx. 110 water projects \$2,800M
- 10 large wastewater projects \$675M
- Water conservation

Water & Sewage Milestones

- Potable water access (90% Iraqis; Apr 05)
- Sewage service (11% Iraqis; Mar 05)
- Reduce water loss (60% to 40%; Mar 04)



Essential Services -

Telecommunications

- Minister of Communications expected to sign mobile phone licenses soon
- 42 cell sites are up in Baghdad in anticipation of license issue
 - Number of subscribers by end of Dec has been revised upward from 20,000 to 100,000
- CPA and Ministry of Communications working on frequency allocations for public-safety band in Baghdad
- Baghdad's Al Mamoun telephone exchange officially opened for business on 13 Dec
 - Al Mamoun is largest exchange in Iraq, with 30,000 subscribers
 - All active Al Mamoun subscribers now able to call each other
 - As of 14 Dec, 11,500 subscriber lines connected to the switch
 - Ministry of Communications is implementing plan to bring additional workers from outside Baghdad to expand line-splicing workforce and accelerate progress



Essential Services - Transportation

- Governing Council Hajj policy committee preparing for Hajj in Jan / Feb 04
 - Plan for 25 flights carrying up to 5,000 passengers to Jeddah
- First 2 railway locomotives arrived under reactivated Iraqi-Turkish protocol
 - Railway will eventually receive 17 more locomotives, 12 power luggage vans, and spare parts from Turkey
 - Anticipated completion date for the repair of the Tikrit Bridge has slipped to mid-May due to flooding and the previously unplanned need to build a new access road to the site
- Measures being taken and progress being made in effort to reduce gas shortages for motorists:
 - Extending hours of some gas stations
 - Ended trucking strike, restoring transportation of fuel trucks to Mosul
 - Stationing security, police, or Coalition forces at selected stations to prevent black marketing and to ensure lawful, efficient distribution of benzene



Total Security Forces in Iraq

DEPARTMENT OF DEFENSE

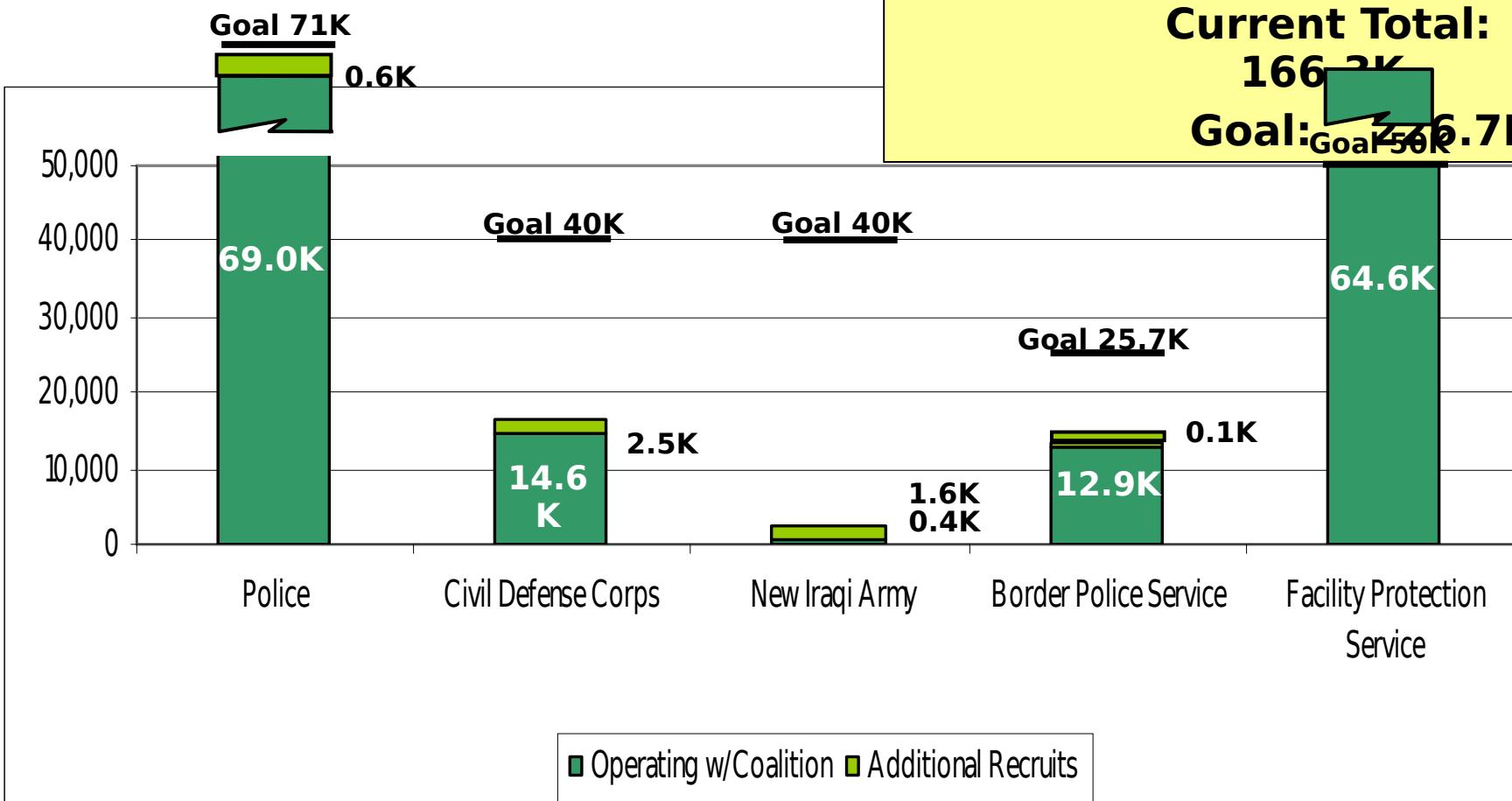
Security Forces (x1000)	31-Oct	7-Nov	14-Nov	20-Nov	27-Nov	4-Dec	11-Dec	18-Dec
Additional Iraqi Recruits*	6.4	6.9	6.5	5.4	2.8	4.5	4.7	4.8
Other Coalition	25	25	25	25.2	23.9	24.2	24.7	24.5
Iraqi Coalition Forces	116	131	134	145.5	147.2	159.9	161.6	161.5
US	131	128	127	126	123	123	123	122
Total *	272	284	286	297	294	307	309	308

* Iraqi Recruits not included in total due to their training status



Iraqi Security Forces

D E P A R T M E N T O F D E F E N S E





AMMO / Explosives / Weapons

Captured (Weekly)

 DEPARTMENT OF DEFENSE
N/P

Captured AMMO & Explosives	21 - 27 Nov	28 Nov - 04 Dec	05 - 11 Dec	12 - 18 Dec
Assembled IEDs	75	45	74	61
RPG rounds, Grenades	1,267	320	476	725
MANPAD rounds	0	36	15	10
Mortar, Artillery, Rocket Rounds	1,319	2,038	1,583	2,089
Mines	5	215	703	1
Pounds of Explosives	699	373	1,116	1,407
Rounds < 30mm	85,574	9,028	15,830	21,144
Captured Weapons				
RPG Launchers	337	33	234	43
MANPAD Launchers	1	23	0	0
Small Arms	16	216	355	477

Data as of 18 Dec

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Stability Contributors

Countries with forces in Iraq

33

Albania
Australia
Azerbaijan
Bulgaria
Czech Rep
Denmark
Dom Rep
El Salvador
Estonia
Georgia
Honduras
Hungary
Italy
Kazakhstan
Korea
Latvia

TOTAL ~24,000

Lithuania
Macedonia
Moldova
Mongolia
Netherlands
New Zealand
Nicaragua
Norway
Philippines
Poland
Portugal
Romania
Slovakia
Spain
Thailand
Ukraine
UK

Countries considering
decision to provide forces
for Iraq

10**TOTAL TBD**

43
Countries
Potentially
Supporting Iraqi
Stability and
Humanitarian
Relief



Governance - National

MILESTONES

- 14 Jul: Governing Council (GC) established
- 01 Sep: Interim cabinet ministers appointed
- 19 Sep: Council of Judges provides independent judiciary
- 15 Nov: New agreement between CPA and GC on transition process
 - 28 Feb 04: Drafting and approval of “Fundamental Law” complete
 - 31 Mar 04: Bilateral security agreements complete
 - 31 May 04: Selections to Transitional National Assembly complete
- 10 Dec: Tribunal established for crimes against humanity
- 01 Jul 04: Transitional Assembly will select executive and assume full sovereign powers for governing Iraq; CPA and GC dissolve
- 15 Mar 05: Elections to the constitutional convention will be completed
- 21 Dec 05: Constitutional ratification and nations



Governance - International Recognition

United Nations

GC granted seats (Sep 03)

Minister addressed UNHCR Executive Committee (Sep 03)

GC president addressed General Assembly (Oct 03)

UNSC invited GC to create timetable for new constitution (Oct 03)

International

Diplomacy talks with Jordan and Syria (Oct 03)

Turkey's liaison office in Baghdad recognized as embassy (Oct 03)

Rend Rahim appointed Ambassador to US (Nov 03)

INSO performs in US (Dec 03)

International Organizations

Arab League: GC granted seats (Sep 03)

Organization of Petroleum Exporting Countries: meetings attended; Minister of Oil recognized as head of Iraq's delegation (Sep 03)

Organization of the Islamic Conference: Meeting attended by GC representatives (Oct 03)

World Bank / International Monetary Fund: GC, Ministers and bank reps have discussed Iraq's future economic goals and needs (Dec 03)

UNSC: United Nations Security Council

UNHCR: United Nations High Commission for Refugees

INSO: Iraqi National Symphony Orchestra



Governance - Progress Indicators

Local and Regional Councils:

- **Councils are prioritizing projects and funding for region-specific needs**
 - **14 Governorate Councils**
 - **127 City Councils**
 - **34 District Councils**
 - **237 Neighborhood Councils**
- **15 Dec: In Al Hillah, seven women became candidates for neighborhood council representatives**
- **Buhriz (Diyala' Governorate, northeast of Baghdad) began selection of neighborhood councils and District Council**

National:

- **National Mine Action Authority and Mine Action Center begin first national humanitarian de-mining campaign**

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Justice - Courts

Central Criminal Court of Iraq (CCCI)

- Two Cases went to Amb. Bremer for referral involving RPG attacks against US troops
 - In the first case 4 of 5 attackers killed, one surrendered; second case 7 of 8 attackers killed, one surrendered. No US injuries from attack. Both survivors are defendants in CCCI cases
 - First Al-Jazeera reporter case dismissed by Investigative Court
 - Evidence showed reporter was not at site at time of incident; corroborated by independent evidence



Justice - Courts (continued)

Central Criminal Court of Iraq (CCCI)

- Significant meeting held this week between CCCI investigative court and Baghdad Major Crime Unit
 - Court will place several investigator's in the Major Crime Unit and Major Crime Unit will place several unit members in the investigative court
 - Arrangement will enhance case investigation capability
 - Appeal of ship confiscation cases referred to CCCI trial court for review



Economics - Financial Market Structures

- 04 Dec: Trade Bank of Iraq officially became fully operational by requesting international banking consortium led by JP Morgan Chase to issue seven letters of credit
 - Letters of credit are worth \$7.9M and will guarantee payment for medicine and medical equipment
 - Countries to receive the seven letters of credit include, France, Germany, UK and Switzerland
- 05 Dec: Italian Ministry of Economy and Finance hosted a signing ceremony between CPA, Trade Bank of Iraq and sixteen Export Credit Agencies (ECAs) in Rome, Italy
 - Sixteen ECAs agreed to insure more than \$2 billion in Iraqi export and imports through the Trade Bank of Iraq
- International Monetary Fund (IMF) met in Amman, Jordan with Iraqi and CPA officials
 - Discussed budget and fiscal policy, monetary policy, and trade policy



Economics - Other Developments

- Central Bank of Iraq (CBI) will extend deadline for Foreign Banking License applications from 26 Nov to 04 Dec due to the Eid al-Fitr holiday marking the end of Ramadan
- Request for Applications (RFA) is an important part of CBI's efforts to accelerate modernization of the banking sector
 - Will allow a limited number of foreign banks to conduct financial operations in Iraq
 - Major step in strengthening the foundation that will support a modern and sound banking sector
- Currency exchange is proceeding well
 - New Iraqi dinar has appreciated by 5% since the capture of Saddam Hussein, settling at \$1 = NID 1,740
 - Exchange rate is primary monetary policy instrument



Economics - Oil for Food Program

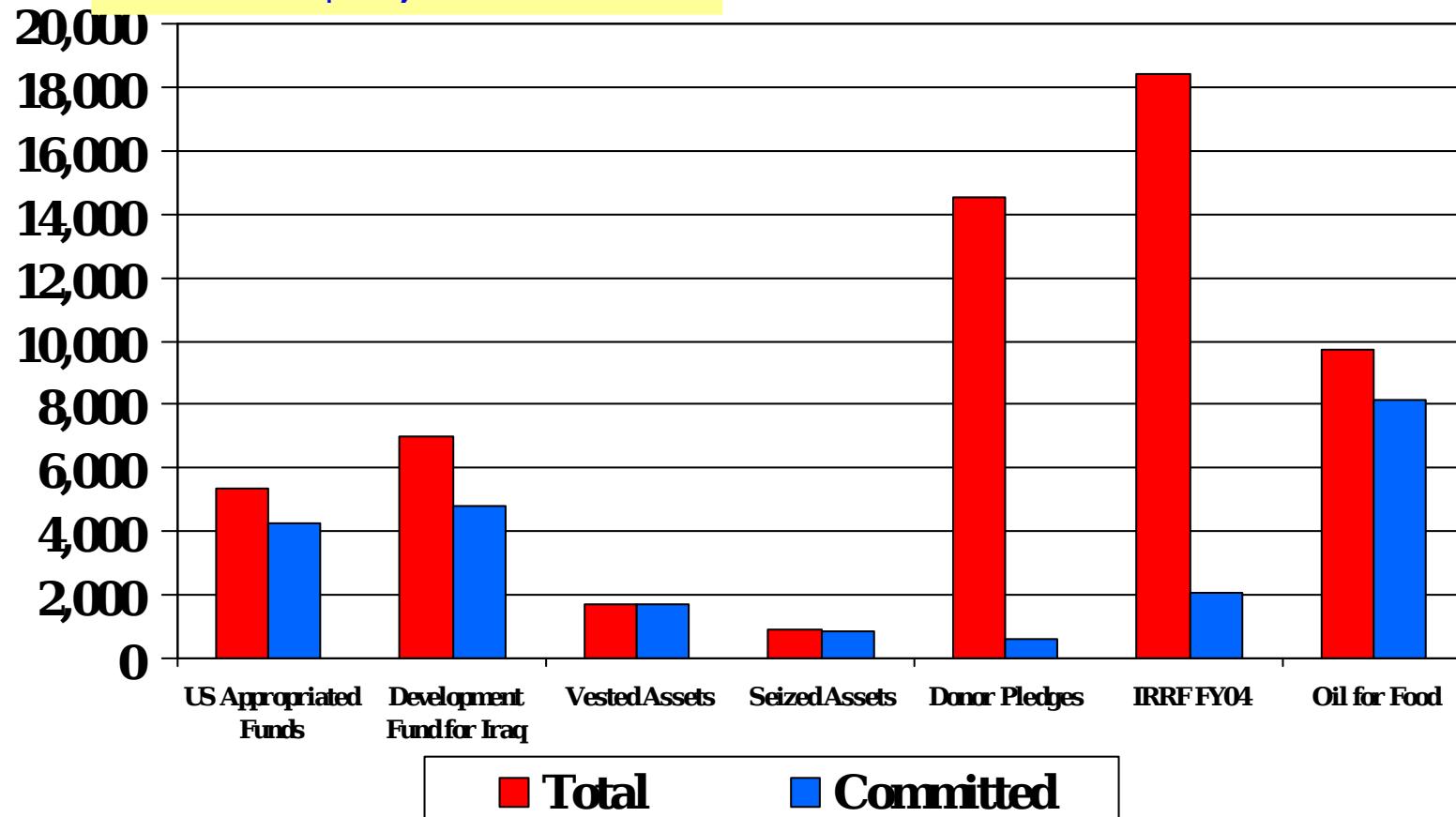
Transition

- 21 Nov: CPA assumed full control of the Oil For Food Program, transition went smoothly
- 85% of the contracts in the Oil for Food Program's humanitarian pipeline were prioritized for delivery
 - 868 approved and funded contracts, valued at \$1.36 billion, remain for consideration
- CPA will continue prioritization process for approved and funded contracts beyond 21 Nov
 - CPA will determine basis of needs with Iraqi authorities



Iraq Funds Status (\$ Millions)

Total Available: \$57,668
Total Committed:
\$22,430





Strategic Communication

- Al-Iraqiyah (formerly Iraqi Media Network)
 - Award of \$100M contract to run national Iraqi newspaper and television delayed until after Jan 04
 - Delay related to accelerated timetable for transferring political power, and legal issues
- Dec Polling: Seven-city survey of urban Iraqis shows that local Iraqi television (62%) is by far the most frequently relied upon medium for acquiring information and news about Iraq
 - About a fifth (26%) rely on foreign television for news about their country
 - Much smaller percentages look to other information sources, such as:
 - Iraqi newspapers (5%)
 - Iraqi radio (2%)
 - Foreign radio (2%)
 - Discussions with family and friends (1%)

